



# NEWS RELEASE

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## **Federal Officials Announce \$1.3 Million in Value-Added Grants From USDA Rural Development**

**Grand Island, Neb., October 14, 2004**— Two events are scheduled today to present nearly \$1.3 million in value-added agricultural product market development grants to seven Nebraska producers. The second event brings together federal officials to present nearly \$531,000 in grants to three Nebraska producers.

U.S. Congressman Tom Osborne and Tom Dorr, Senior Policy Advisor to the Secretary of Agriculture on Rural Development, presented symbolic checks to the three producers who will use the funds to develop new products and tap into new markets.

“Effective rural economic development creates an atmosphere that enables individuals, businesses, and communities to successfully start or expand businesses, generate better paying jobs, and add wealth to a region. I am proud of these seven ventures in Nebraska for their hard work and ingenuity in pursuing federal funds available to expand and improve their operations. They are a fine example of what Nebraska businesses have to offer not just to residents within the region but throughout the global market,” stated Rep. Tom Osborne.

“These grants are an important part of the Bush Administration’s overall investment in the economic strength of rural Nebraska,” stated Dorr. “I commend each of the recipients for their development of proposals to explore new ways of utilizing Nebraska’s natural resources.”

Recipients recognized today in Grand Island were:

- Booty Farms LLC of Sutherland will utilize \$150,000 for working capital to conduct a marketing campaign for its value-added chili pepper products along with acquisition of bottling, shipping and labeling inventory and office supplies.
- Kearney Area Ag Producers Alliance of Kearney received \$130,700 that will conduct a feasibility study and complete required research for developing a business plan. The plan is to identify alternative products for processing at a lutein-extraction plant, and/or markets for alfalfa byproducts from such a plant; and the identification of a capitalization strategy, so as to conduct an equity offering for the funding required to secure the processing or markets for these products.
- Small Farms Cooperative in West Point is the recipient of \$250,000 for working capital to market their “Pre-cooked, Ready to Eat *Natural* Meat Entrees” to the domestic market while exporting numerous cuts of meat overseas.

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The remaining four producers were presented this morning in Lincoln with symbolic checks by Lt. Governor Dave Heineman and Senior Policy Advisor Tom Dorr that totaled nearly \$758,000.

“The awarding of the value-added grants came as great news for rural Nebraska,” stated Jim Barr, Nebraska state director for USDA Rural Development. “Value-added projects like those identified today, help the rural economy as producers reap a greater value for their commodity and in turn reinvest those profits back into the local economy.”

The 2002 Farm Bill made available a total of \$240 million in Value-Added Agricultural Product Market Development Grants to be utilized over the next 6 years. The program is designed to help producers to expand the customer base for their commodities through a value-added activity that allows producers to retain a greater profit in the marketplace. Since the beginning of the program, Nebraska has received close to \$7 million that has assisted in 38 value-added ventures.

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